

Australia Dossier by Allen Douglas

Off in La-La Land

The federal coalition government shows all the signs of having a "kangaroo loose in the top paddock."

Judging by the government's lunatic pronouncements on the state of the Australian and world economy of late, the typically colorful Australian metaphor of a kangaroo hopping around in a field, to indicate mental imbalance, truly captures the state of mind of Prime Minister John Howard and his Liberal/National government. While virtually every other government in the world is making dire predictions on the state of the economy, the Australian government has adopted a firm "What, me worry?" attitude.

Take, for instance, Treasurer Peter Costello, the Mont Pelerin Society darling who is tipped to one day replace his mentor Howard as Prime Minister. Asked a couple of weeks ago if he thought the world were headed for a recession, Costello replied, "I don't think so. I don't think we're heading for any of the doomsday scenarios that anybody's been predicting." His Treasury Department officially predicts that growth in 1999 "will pick up and reach 3.5% per annum."

Prime Minister Howard has shown himself to be equally loony, repeatedly denouncing forecasts of a world recession as "ridiculous," to which he added, on Oct. 8, "The world is not lurching towards recession. The world still remains a very beckoning and very strong place economically in many respects." Howard perhaps hears the "beckoning" of the legendary Sirens of ancient Greece, whose sweet music lured ships to crash on the rocks.

Howard and his Deputy Prime Minister Tim Fischer have repeatedly claimed that Australia is a "safe har-

bor" from world turmoil, both because of their Mont Pelerin-dictated budget-slashing, "globalist" reforms, and also because, as Howard told the *Australian Financial Review* on May 15, "You really have to look at the Australian economy as being a discrete separate entity from the region." That is a wild statement from the leader of a developing sector-style raw materials exporter, 71% of whose trade is with depression-wracked Asia.

Given that the world economic outlook is so rosy, neither Howard, Fischer, nor Costello bothered to attend the IMF/World Bank annual meeting and the G-22 emergency meeting in Washington beginning Oct. 3. Instead, they sent a relatively junior Cabinet member, Rod Kemp, to cheerlead, as he did on Oct. 6, that parts of the world economy are still booming along, and that "the Australian economy continues to grow solidly, and represents another area of relative strength in the world economy."

Presumably, this "solid growth" in Australia includes the following: a true unemployment figure, according to the figures of the Australian Bureau of Statistics, of 19%, and an infrastructure collapse which makes the disease-ridden water in the country's largest city, Sydney, undrinkable; which recently shut down the entire natural gas supply of the state of Victoria for two weeks, with estimated losses of \$1 billion; and which has left the national rail grid almost beyond repair, according to a recent parliamentary investigation. In addition, a recent UN report found Australia to be one of the six poorest "developed sector" countries in the world, and that 1.7 million Aus-

tralian would die before age 60, due to poverty.

But it is when they are addressing their *bête noire*, American physical economist Lyndon H. LaRouche, that Australian government leaders come completely unhinged. Costello, for instance, startled a recent Liberal Party gathering by announcing, out of the blue, that "the economy is in good shape, despite what LaRouche says!" Another government MP, Kent Andrew, recently wrote to a constituent who is a LaRouche supporter, that "I do not accept as indicated in your letter, that it is now openly acknowledged by virtually all leading economic authorities that the global speculative bubble is about to 'burst.'" The government's Chief Whip, Neil Andrew, also recently wrote a letter to one of his constituents, after he had viewed the entire 90-minute "New Bretton Woods" March 18 speech by LaRouche, featuring LaRouche's solutions to the financial meltdown. Wrote Andrew: "After 15 years direct involvement in Australian economic policy, I cannot share Mr. LaRouche's pessimism. It would be a National disaster to return to a rigidly regulated economy with fixed exchange rates." Andrew further intoned, "It is not realistic to portray the world as an economically crueller or harsher place than it was. In percentage terms the number of human beings at starvation level continues to decline and trade reforms have meant that more and more have a chance to build up their economies. The rise of relative prosperity in Asia . . . illustrates this."

Indonesia's Finance Minister, for one, might be surprised to hear this; he told the G-22/IMF/World Bank meetings in early October, regarding the 100 million Indonesians who will sink below the poverty level this year, "We are dying."